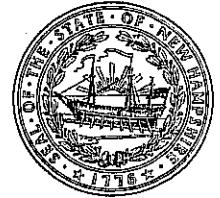




The State of New Hampshire
DEPARTMENT OF ENVIRONMENTAL SERVICES



Thomas S. Burack, Commissioner

March 12, 2009

The Honorable Susan Almy, Chairman
House Ways and Means Committee
Legislative Office Building, Room 202
Concord, NH 03301

Re: House Bill 638-FN Amendment no. 0563h (HB 2 FN, paragraphs 73 and 74) relative to the motor vehicle air pollution abatement fund and increasing the motor vehicle inspection sticker fee.

Dear Chairman Almy and Members of the Committee:

The Department of Environmental Services (DES) is pleased to offer testimony in support of House Bill 638-FN Amendment no. 0563h (HB 2, paragraphs 73 and 74), which establishes a new motor vehicle air pollution abatement fund and increases the motor vehicle inspection sticker fee from \$2.50 to \$3.00. Half of the fee increase, \$0.25, would be directed to the new fund to support DES programs and staff dedicated to reducing emissions of air pollutants from motor vehicles as well as greenhouse gas reductions. The remainder of the increase is allocated to the Department of Safety.

Tailpipe emissions from motor vehicles account for approximately one half of the emissions that cause ground level ozone, a respiratory irritant that is the primary ingredient of smog. Portions of the southern four county area, including Merrimack, Hillsborough, Rockingham, and Strafford counties, are currently in non-attainment with the National Ambient Air Quality Standards (NAAQS) for ground level ozone. Diesel exhaust, classified as a toxic air contaminant by the Environmental Protection Agency (EPA), contributes a significant portion of the particulate emissions in the state, as well as black carbon, a contributor to climate change. Motor vehicles are also on par with the power generation sector in their contribution to greenhouse gas (GHG) emissions. With anticipated decreases in GHG emissions from the power sector under the Regional Greenhouse Gas Initiative motor vehicles will become the single largest source of GHG emissions in the state within the next decade.

DES's Air Resources Division is charged with protecting public health and the environment from the impacts of air pollution. The Department currently has no dedicated state funding source directed at mobile emissions reduction efforts and staffing. Currently mobile source staff are supported by federal funding under section 105 of the Clean Air Act and State and Tribal Grants (STAG), a grant source that has been relatively level-funded for more than a decade, effectively shrinking as a result of increases in wages and benefits over the years. Where this grant supported three mobile source staff members ten years ago, today it supports one and a half positions. DES has faced similar reductions in other grant areas. At the same time, federal requirements for state vehicle programs have continued to grow. DES currently has one additional position, an alternative fuel program manager, which was created in 2007 and is

currently supported by a grant expiring in 2010. DES staff are responsible for all federally mandated state functions aimed at reducing emissions from motor vehicles, including:

Obligations pursuant to Federal and/or state statutes/regulations for which adequate funding is not currently available

- Preparation of required State Implementation Plans (SIPs) necessary to ensure federal enforceability of CAA required state programs
- Vehicle emissions inspection and maintenance programs and associated federal reporting requirements
- Analysis of statewide transportation improvement programs to meet federal transportation requirements to insure that highway-related growth does not impact air quality (known as transportation conformity)
- Stage II Vapor Recovery program for gasoline stations
- Emissions inventory development
- National Environmental Policy Act review of major transportation projects such as I-93 expansion

DES currently fulfills state obligations for the following items under temporary grants (described below)

- Annual reports to the Energy Information Administration (EIA) on alternative fuel use in the State of New Hampshire
- Annual reporting to US Dept. of Energy for Energy Policy Act (EPACT) of state vehicle fleet purchases
- Climate Change efforts addressing vehicles and transportation/land use issues
- Education and outreach efforts particularly related to voluntary programs such as idling reduction, vehicle maintenance, etc.
- Advanced technology and alternative fuel vehicle programs (supported by a temporary grant at this time)

Program areas deemed necessary for effective emissions reductions to protect health and environment, for which only limited funding is available

- Diesel emission reduction programs
- Vehicle idling reduction efforts
- Participation in regional efforts to promote federal legislation to reduce mobile source emissions
- Participation in national and regional workgroups on technical issues
- Petroleum fuel program, such as reformulated gasoline requirements and research into a regional low carbon fuels standard
- Technical assistance to regional planning commissions and metropolitan planning organizations related to quantifying air quality impacts of transportation projects

- Membership in the four metropolitan planning organizations, including full member status (voting) on technical advisory committees and policy committees

The first five program areas listed above are activities required by the Clean Air Act and our EPA grant, and due to lack of adequate staffing we are delinquent in meeting some of these obligations. The annual EIA and EPACT reporting, as well as spearheading the state's alternative fuel vehicle efforts, are currently conducted under a grant and related memorandum of understanding with the Office of Energy and Planning and additionally supported by a federal Congestion, Mitigation and Air Quality grant, both of which are temporary funding sources. The remaining program areas are not specifically required by the EPA, however without these efforts, New Hampshire cannot have a functional, effective mobile source program. Inadequate effort has been made by the agency in most of these areas in recent years due to our low staffing levels.

Additional detail on each of these program areas is offered in the attachment that accompanies this testimony. The funding requested by this amendment would allow the addition of one position to the mobile source program, as well as supporting other existing mobile source related programs. DES will continue to seek funding from other sources, including competitive grants to maintain the alternative fuel program manager position currently set to expire in 2010.

Even though the current funding sources are shrinking, this is the moment in time when the focus and effort on mobile source reductions, as the largest source of emissions, must increase. DES, as well as the business community, also views this as an equity issue – while stationary source emissions are decreasing, their fees are increasing inequitably despite the understanding that mobile sources and transportation have become the largest air emissions sector. DES must, and fully intends to, increase resources as necessary to address this growing sector. The funding mechanism proposed in this amendment is necessary to achieve this goal.

Thank you for your attention in this matter. Should you have further questions or need additional information please feel free to contact Robert R. Scott, Director, Air Resources Division (271-1088, robert.scott@des.nh.gov) or Michael Fitzgerald, Administrator (271-6390, michael.fitzgerald@des.nh.gov) or me (271-2958, thomas.burack@des.nh.gov)

Sincerely,



Thomas S. Burack
Commissioner

cc: Katherine Peters, Special Assistant for Policy, Office of the Governor
John Barthelmes, Commissioner, Department of Safety